

Alameda Reuse and Redevelopment Authority

Memorandum

To: Honorable Chair and
Members of the Alameda Reuse and Redevelopment Authority

From: John Russo
Executive Director

Date: September 20, 2011

Re: Authorize the Executive Director to Direct PM Realty Group, Acting as
Property Manager, to Enter into a Contract with Dutra Dredging
Company to Dredge the Alameda Point Channel in an Amount Not to
Exceed \$1,713,000

BACKGROUND

The United States Navy (Navy) acquired the submerged lands that now comprise the navigational entrance channel to Alameda Point and turning basin (Alameda Point Channel) in 1936 and began constructing the deep water port facilities in 1938. The Alameda Point Channel was used for berthing of various Navy ships including aircraft carriers and is approximately 1,000 feet wide with a 2,450-foot turning basin located on the eastern end of the channel. The Alameda Point Channel has an authorized depth of - 42 feet Mean Lower Low Water (MLLW), and prior to decommissioning of the base, had been maintained to a depth of - 40 feet MLLW by the Navy. The Navy last dredged the channel in November 1996.

Since then, the ARRA dredged the channel in October 2005 to a dredge depth of -32 feet MLLW with a two-foot over dredge tolerance. The 2008 maintenance dredge was to -34 feet MLLW. ARRA staff is proposing to dredge Alameda Point Channel for a third time to a dredge depth of -33 MLLW with a two-foot over dredge tolerance. The proposed maintenance dredging involves the removal of accumulated sediment in order to return the Alameda Point Channel to a depth that would allow unencumbered maneuvering of vessels, including the Maritime Administration (MARAD) ready reserve fleet located at Alameda Point. The periodic dredging of the Alameda Point Channel is required by ARRA's lease with MARAD and is funded by MARAD directly. The dredging material will be disposed of equally at the Alcatraz Environs In-Bay disposal site and in the ocean as required by Dredge Material Management and Oversight Committee.

The ARRA's current property management firm, PM Realty Group (PM Realty), has a City Attorney-approved form of contract they execute on behalf of the ARRA, which was used in all of the previous ARRA dredge activities and in many capital projects at Alameda Point.

ARRA
Agenda Item #3-A
09-20-11

DISCUSSION

ARRA staff placed an ad in the local press to request qualifications for bidding the dredging project from August 5, 2011 to August 12, 2011. Because the regulators are requiring half the dredge materials to be disposed of in the ocean, the number of potential contractors for the project is limited. Contractors are required to have a certified ocean going vessel for these types of disposals. The schedule for the selection was as follows:

August 12, 2011	Bid documents issued to the qualified bidders
August 19, 2011	Deadline for questions
August 29, 2011	Bid due date

Bids were received from two bidders as indicated in bold:

- **Dutra Dredging Company, San Rafael, CA - \$1,713,000**
- **Manson Construction Co., Richmond, CA - \$2,575,320**

Because dredging is not precise and the amount of spoils generated varies, both bids include a 10 percent contingency. Mobilization for dredging is set to begin September 21, 2011 and will last for thirty days. All relevant permits were received prior to bidding the project.

FINANCIAL IMPACT

There is no financial impact to ARRA lease revenue or the General Fund. MARAD funds this dredging project and all future dredge events directly pursuant to the long-term lease.

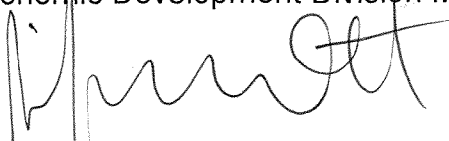
RECOMMENDATION

Authorize the Executive Director to Direct PM Realty Group, acting as property manager, to enter into a contract with Dutra Dredging Company to dredge the Alameda Point Channel in an amount not to exceed \$1,713,000.

Respectfully submitted,



Nanette Mocanu
Economic Development Division Manager



Jennifer Ott
Chief Operating Officer – Alameda Point